

# Access Group and The Student Loan People<sup>SM</sup>



**You owe it to yourself  
to get off to a great start**

*Let us help you prepare for  
your student loan payments*

Spring 2009

# here's help paying it back

## what's here

- **Student loan repayment programs**
- **Understanding your bill**
- **What to do when you can't repay**
- **Words you need to know**



Too bad life doesn't come with an instruction manual. You'd know which job to take, whom to marry and where to call when Tab A won't go into Slot B.

Fortunately, student loans are a lot more straightforward than life. Think of this as your instruction manual for repaying your student loans.

Here you'll find:

- Information about repayment plans.
- How to understand your billing statement.
- Web sites that can help, and even a phone number to call when you really need to talk to someone.

Finally, all the tools you need to manage your student loans are right in one place. Life is good, and maybe a little easier than you thought.

## URLs to use

Here are handy places to find help on the Web:

### **[studentloanpeople.com/accessgroup](http://studentloanpeople.com/accessgroup)**

Our Web site lets you access account information, download applications for forbearance and deferment, update your information, make changes, and more.

### **[accessgroup.org](http://accessgroup.org)**

Find information about Access Group loan products.

### **[nslds.ed.gov](http://nslds.ed.gov)**

The Department of Education offers this Web site for borrowers with federal loans.

### **[nslc.org](http://nslc.org)**

The National Student Clearinghouse helps you find phone numbers for lenders and servicers, check to see if your school has updated your information, etc.

## get professional help

Your Access Group loans are serviced by **The Student Loan People<sup>SM</sup>**.

Got a question you can't find here? Find the answer fast online at **[accessgroup.org](http://accessgroup.org)** or at **[studentloanpeople.com/accessgroup](http://studentloanpeople.com/accessgroup)**

Still have questions about an existing loan? A change of address, maybe? Call:

**The Student Loan People<sup>SM</sup>**  
**Customer Service**  
**Call toll-free 888.250.6401**  
**9 a.m. – 8 p.m. ET**  
**Monday – Friday**

Have your student loan statement available when you call.

To apply for new loans, call:

**Access Group**  
**Call toll-free 877.472.3227**  
**9 a.m. – 8 p.m. ET**  
**Monday – Friday**



# the bottom line

## on your student loans



Paying back your student loans on schedule is one of the best things you can do to establish and maintain a good credit history (not to mention earn lots of good karma). Good credit is essential to buying a house, leasing a new car or even finding a better cell phone plan.

Juggling payments along with finding a job or starting a practice can be tough. That's why we offer a range of plans to help make repaying your student loans fit your budget and your life.

# we have a plan (actually, several)

You've worked hard and paid your dues. You deserve something good. That's why we offer several plans that should allow you to pay back your student loans relatively painlessly. Some plans are available for both private and federal loans, others are for federal loans only. We're sure you'll find one that works for you.

To apply for any of these payment plans, send your request to:

Access Group Loan Servicing  
P.O. Box 24328  
Louisville, KY 40224-0328  
or fax: 502.329.7077

## Repayment options

The length of repayment allowed on Federal Stafford Loans and Federal PLUS Loans varies from 10 to 25 years, depending on the repayment plan you choose. Minimum payment amounts are set in accordance with federal regulations. Typically this means a \$50 minimum monthly payment per loan.

The maximum repayment period for Access Group private loans is 20 years, regardless of the repayment plan chosen. The minimum monthly payment for each private loan is \$50.

When entering repayment, you may select from either the Standard Repayment Plan (10-Year Term for federal loans and 20-Year Term for private loans) or the Extended Repayment Plan (25-Year Term, for federal loans only), depending upon which plan you qualify for. If eligible, you may then choose one of the following:

### EasyPay Equal Standard Payment Plan\*

**This is the standard repayment plan for both federal and private loans.** You make standard monthly payments of principal and interest for the balance of the loan term (actual amount may vary as interest rate varies). Other repayment plans initially offer a lower monthly payment, but under this plan you will pay the least amount of total interest over the loan repayment period.

\* The EasyPay Equal Standard Payment Plan is the plan in your loan agreement(s) and will apply unless you choose another plan.

### EasyPay 2 Step Graduated Payment Plan

This option is available for **federal** and **private** loans. To work your way up to a standard monthly payment, you will:

- Make interest-only monthly payments of a fixed amount of interest for two years.<sup>†</sup>
- Make standard monthly payments of principal and interest for the balance of the loan term.

### EasyPay 3 Step Graduated Payment Plan

This option is available for both **federal** and **private** loans. To work your way up to a standard monthly payment, you will:

- Make interest-only monthly payments of a fixed amount of interest for two years.<sup>†</sup>
- Make monthly payments of interest and partial principal of a fixed amount for three years.<sup>†</sup>
- Make standard monthly payments of principal and interest for the balance of the loan term.

<sup>†</sup> Because your monthly payments are fixed using the interest rate in effect when you enter the EasyPay 2 or EasyPay 3 Step Plan, your payment allocation between interest and principal may vary depending on the interest rate changes during the time you are in the EasyPay 2 or EasyPay 3 Step Plan.

**Note:** Choosing either the EasyPay 2 Step or the EasyPay 3 Step Graduated Payment Plan for a private loan constitutes an amendment to the application and loan agreement you signed, so we will send you a form to amend that loan agreement.



## Modified Graduated Repayment Schedule (MGRS)

**This repayment plan is available only for private loans and is an alternative to forbearance.**

With this plan, you will:

- Pay approximately 50% of your standard monthly payment for the first six months.\*
- Pay approximately 75% of your standard monthly payment for the second six months.\*
- Pay a fixed amount (interest-only) for the second year.\*
- After two years, make standard monthly payments of interest and principal.
- Variable interest rate may change during each step of the plan; any interest or required percentage of payment not covered by the payment amount fixed at the beginning of the plan will be capitalized and added to principal after each step of the plan.

\* Because your monthly payments are fixed using the interest rate in effect when you enter the MGRS plan, your payment allocation between interest and principal may vary depending on the interest rate changes during the time you are in the MGRS plan.

**The following repayment plans can extend the 10-year limit on Federal Stafford and PLUS loans.**

## Income-Sensitive Repayment Plan

Not for private loans, this option is available only for federal loans.

- Payments are based on 4% of your gross income and are adjusted annually.
- Payments must cover at least the monthly interest on your loan(s).
- To request this plan, you must provide:
  1. A completed application for an Income-Sensitive Repayment Plan and,
  2. A copy of your most recent pay stub, OR
  3. A letter from your employer stating your current position and monthly income.

Mail this information to us at the address on page 4.

## Extended Repayment Plan

This plan is available only for federal loan borrowers (1) whose first FFELP loan was borrowed on or after October 7, 1998, or (2) who, on the date he or she obtained the post-October 7, 1998 FFELP loan, had no outstanding balance on a FFELP loan obtained prior to October 7, 1998. Borrowers must have FFELP loan debt (outstanding principal and interest) in excess of \$30,000, including FFELP student loan debt from lenders other than Access Group. Repayment can be extended over a maximum of 25 years, with either standard or graduated payments.

If you choose the Extended Repayment Plan, then you may also choose to use the EasyPay Equal Standard Payment Plan, the EasyPay 2 Step or EasyPay 3 Step Graduated Payment Plans, if you qualify.

## Good Things to Know About Student Loans

1. If you're having trouble making a payment, we may be able to help. Contact us immediately by calling toll-free at 888.250.6401.
2. Call us at 888.250.6401 if you change your name, address, phone number or eligibility for deferment or forbearance. This will help us get your statement delivered to you on time. It will also mean that if you're having trouble making payments, we may be able to assist you in finding an answer. (Both are important to help you protect your credit history.)
3. A Federal Consolidation Loan may be an option if you are interested in reducing your monthly payments. However, you might wish to consider the **Extended Repayment Plan** as an alternative to consolidation.
4. You should think carefully before you decide to consolidate loans with low, fixed rates, such as the Perkins loan or the HPSL/LDS. Otherwise, you could end up paying a higher interest rate with the consolidated loan. Federal loan borrowers might wish to consider the **Extended Repayment Plan** as an alternative to consolidation.
5. Several repayment plans are available to help you fit student loan repayment into your budget. See page 4 to find the one that's right for you.

## Repayment Methods

You can make your payments online, by phone or by check.

**EFT** (*Electronic Funds Transfer*) payments can be automatically deducted monthly from your checking or savings account. You are required to complete an application to make EFT payments, and an incentive may be available.

**E-Pay** allows you to schedule a one-time or recurring payment via our Web site, [studentloanpeople.com](http://studentloanpeople.com). Click PAY NOW and then click the E-Pay icon.

**Payment by Phone** allows you to make a payment using our automated payment system by phone from your checking account by calling 888.250.6401. There is no charge for this option.

In addition you can send payments by check directly to:

### Lockbox Payments

Access Group Loan Servicing Center  
P.O. Box 9001778  
Louisville, KY 40290-1778

## Payment Allocations and Making Extra Payments

For loans not in default, you can designate which loan you want your payment to be applied to or pay more than the amount due.

When paying by check, you can communicate such special payment instructions to us by completing a **Special Payment Allocation Worksheet** available on our Web site. See the sample worksheet below. Mail the worksheet and your check to:

### Special Payment Allocations

P.O. Box 24328  
Louisville, KY 40224-0328

## Payment Evaluation Process

- During a periodic payment evaluation process, we review your loans and modify the monthly payment amount if needed in order for the loan to pay off within the allotted time remaining in the repayment period.
- Monthly payment amounts can change due to one or a combination of the following: interest rate changes, interest capitalization, delinquent payments, lump sum payment, due date change, write off or refund, etc. However, monthly payment amounts only change if the amount increases or decreases by 2% of the original monthly payment amount.
- It may take up to two statements before the new payment amount goes into effect, depending on when in your payment cycle the reamortization process is run. You will be notified of this change via a payment evaluation letter.

**Note:** If you are intentionally paying more than the amount due and do not want your payments lowered, you must contact us in order to have your accounts excluded from the process.

No matter how well you're doing, sometimes life can sneak up on you and pick your pockets. Illness, an unexpected job loss or a sudden disability can make it hard to make ends meet, and tougher still to repay your student loans.

If that happens, you may be able to put your payments on hold through a deferment or forbearance. However, if you take a deferment or forbearance, it may disqualify you for Access Group's on-time repayment interest rate discount, so call us before you sign up. To find out if you qualify to temporarily defer payments by receiving a deferment or forbearance, visit [studentloanpeople.com/accessgroup](http://studentloanpeople.com/accessgroup) or call us at 888.250.6401.

Access Group loan serviced by:

**The Student LoanPeople** P.O. Box 24328  
Louisville, KY 40224-0328  
Phone: (888) 250-6401  
Fax: (502) 525-7877  
[www.studentloanpeople.com](http://www.studentloanpeople.com)

**accessgroup**  
The nonprofit graduate loan specialist

### Special Payment Allocation Worksheet

If you wish to designate how your payment is applied, please complete this form and mail it and your check to the address listed above. Be sure to include your account number on the check. If you do not wish to advance your due date, indicate that on this form. **Please note that subsidized and unsubsidized consolidation loans made on the same date will be adjusted to have the same due date.**

Payments may be applied automatically in advance of processing your special instructions. Within three business days your payment will be reapplied according to this request, effective the original date the payment posted. Payments are applied in the following order:

- ☐ Outstanding fees
- ☐ Outstanding accrued interest
- ☐ Principal

Payment cannot be applied to principal unless all fees and accrued interest are paid. Payment reallocations must be requested within 60 days of the payment posting date.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Account Number: \_\_\_\_\_ Email: \_\_\_\_\_  
Total Amount Paid: \$ \_\_\_\_\_ ☐ I do not wish to advance my due date.

Group	Payment Allocation	Group	Payment Allocation
A		N	
B		O	
C		P	
D		Q	
E		R	
F		S	
G		T	
H		U	
I		V	
J		W	
K		X	
L		Y	
M		Z	

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**NOTE:** By checking the "I do not wish to advance my due date" box, we will apply your payment but will not advance the due date if you are paying more than the scheduled monthly payment.

# ends won't meet? here's help

## Deferments Can Help

**Available only for federal loans**, a deferment is a temporary period during which no payments are due. If you think you are eligible for a deferment:

1. Call us at 888.250.6401 to request an application form.
2. Return the completed form to us along with the necessary documentation

If you are eligible for the deferment, you are entitled to it if you take these steps. However, **YOU MUST ASK FOR THE DEFERMENT.**

If you get a deferment on Subsidized Stafford loans, interest that accrues during deferment is paid for you by the federal government. For Unsubsidized Stafford loans, you must pay the interest, but you may allow it to accrue during the deferment period and be capitalized (added to principal) at the end of the approved deferment. It's your responsibility to request a deferment—either verbally or in writing—and to provide the lender with documentation to support your eligibility for the deferment.

Unless you have defaulted, you must be granted a deferment if you qualify. Eligibility varies by deferment type. Not all types apply to all borrowers. Note that you may lose eligibility for Access Group's on-time repayment interest rate discount if you use a deferment, unless the deferment covers your first payment due.

Several types of deferments are available. These include:

### In-School Deferment

The In-School Deferment is available to borrowers who are enrolled in a degree or certificate program at an eligible institution. To qualify for an In-School Deferment, you must be one of the following:

- Enrolled at least half-time if you do not have an outstanding balance on a FFELP loan disbursed before July 1, 1987.
- Enrolled as a full time student, if you have an outstanding balance from a FFELP loan disbursed before July 1, 1987.

**Note:** The first payment on a Graduate PLUS Loan is due within 60 days after the loan is fully disbursed. However, we automatically place our Graduate PLUS Loan borrowers in an in-school deferment status, so you will not need to begin repayment so long as you remain enrolled at least half-time. (Furthermore, once your in-school deferment ends, you can also request a forbearance that allows you to postpone repayment for a further six months, so that you will begin repaying your Graduate PLUS Loans at the same time as your Federal Stafford Loans.)

Graduate PLUS borrowers with loans first disbursed on or after July 1, 2008, are eligible for a Post-Enrollment Deferment for 6 months at the end of their In-School Deferment.

Parent PLUS borrowers with loans first disbursed on or after July 1, 2008, are eligible for an In-School Deferment if the benefitting student is in school and is also eligible for a Post-Enrollment Deferment for 6 months at the end of his or her In-School Deferment.

### Education-Related Deferment

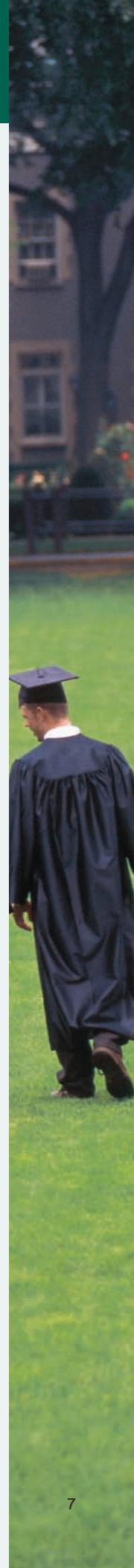
These deferments are available to borrowers who are engaged in a full-time course of study in a graduate fellowship program or are engaged in a full-time rehabilitation training program.

### Unemployment Deferment

The Unemployment Deferment is intended for borrowers who are conscientiously seeking, but unable to find, full-time employment in the U.S. To qualify for this deferment you must meet one of the following conditions:

- You are currently unemployed or working less than 30 hours a week, but conscientiously seeking full-time employment.
- You can provide documentation of your eligibility for unemployment benefits and are conscientiously seeking full-time employment.
- You are not eligible for unemployment benefits but you are registered with a private or public employment agency and are conscientiously seeking full-time employment.

If your loans were made before July 1, 1993, the maximum cumulative eligibility is 24 months. For borrowers whose first loans were made on or after July 1, 1993, the maximum cumulative eligibility is 36 months. All borrowers must re-qualify every 6 months.





## Economic Hardship Deferment

This deferment allows borrowers to defer payment on their federal loans for up to one year at a time for up to three years if they meet certain eligibility requirements. Generally, income and student loan debt are factors used in granting this type of deferment.

This deferment may be available to borrowers who first borrowed a FFELP loan on or after July 1, 1993.

Contact us to determine whether you qualify and for information on how to apply for this deferment.

## Military Service Deferment

The terms and eligibility requirements for this deferment have been revised recently; it is now available for all Title IV student loans, effective October 1, 2007. It applies only to periods during which you are serving on active duty or performing qualifying National Guard duty during a war, other military operation or national emergency. As a result, not all active duty military personnel are eligible. The deferment is also extended for 180 days following demobilization.

- Documentation establishing eligible active duty service may include a copy of your military orders or a written statement from your commanding officer or personnel officer that you are serving on active duty.

## Post-Active Duty Student Deferment

Effective October 1, 2007, this new deferment allows a deferment for the 13-month period *after* completing military service. National Guard or other Armed Forces reserve (current or retired) members called to active duty are eligible. Active duty is defined as full-time duty in the active military service of the U.S., including State duty for members of the National Guard. This does not include active duty for training or attendance at a service school.

Contact us to determine whether you qualify for either of these military deferments and for information on how to apply for them. You may also refer to the “Students” section of the Department of Education’s Web site, [www.ed.gov](http://www.ed.gov), which should contain the most current information available about all federal loan deferments, or the “Parents & Students” section of the National Association of Financial Aid Administrators (NASFAA) Web site, [www.nasfaa.org](http://www.nasfaa.org).

## Additional Deferments

Additional deferments are available for outstanding loans issued before July 1, 1993. Contact us to determine whether you qualify and for information on how to apply.

## Look Into Forbearance

If you are having trouble repaying your federal loan(s) and you don’t meet the requirements for deferment, talk to us about forbearance. This is when you are allowed to temporarily stop making payments, make smaller payments than scheduled or extend the time period for payments. Some forbearances are also available on private loans. You can call us to request some types of forbearances; for others you must submit a written request form.

## Federal Loans

FFELP borrowers may be eligible for forbearance in up to one-year increments.

Many of the same forbearance types are available for Graduate PLUS and Parent PLUS borrowers, in addition to some discretionary forbearances for Access Group PLUS borrowers. Call us for more information.

The lender is required to grant a mandatory forbearance on a Federal Stafford Loan if you satisfy any of the following conditions:

- You are participating in a medical or dental internship or residency program.
- Your monthly federal student loan payments collectively are equal to or greater than 20% of your total monthly income (mandatory forbearance available for up to three years).
- You are serving in a national service position for which you received a national service education award under the National and Community Service Trust Act of 1993 (AmeriCorps).
- You are eligible for partial repayment of a loan under the Student Loan Repayment Programs administered by the Department of Defense under 10 U.S.C. Section 2171.
- You are eligible for the Teacher Loan Forgiveness Program and meet all annual requirements.
- You are providing the required type of service as a child care provider under the Loan Forgiveness Demonstration Program for Child Care Providers.

Interest accrues during forbearance regardless of whether the loan was subsidized during school. This interest can be paid as it accrues or it can be capitalized at the end of forbearance. Time spent in a forbearance extends the 10-year repayment period. Also, entering a forbearance may disqualify you from eligibility for Access Group’s on-time repayment interest rate discount.



## Private Loans

Forbearance options that may also be available at the discretion of your lender for your private loans include In-School Forbearance and Economic Hardship Forbearance, both of which may be requested by phone. Interest accrues during forbearance and can either be paid while you're in forbearance or capitalized (added to the principal) at the end of the forbearance period. Time spent in forbearance on private loans does not extend the 20-year repayment period.

An Economic Hardship Forbearance is granted in increments of up to six-months, with a maximum of twelve months allowed for the life of the loan. Additionally, if you return to school within 30 months of graduation or separation from your school, you may be eligible for In-School Forbearance (not available for the Sponsored Access Loans). The school you are attending must be a Title IV eligible school. You do not have to borrow an additional loan to qualify.

A Residency/Postdoctoral/Fellowship Forbearance is also available for private loan borrowers participating in required residencies, postdoctoral programs, fellowships or internships.

## You Deserve Credit

Everybody makes mistakes... just try to avoid making the kind that show up on your credit report.

Mistakes such as missed payments and unpaid credit accounts can remain on your credit report for seven years...10 years in the case of bankruptcy. And these can affect just about everything in life you need money for.

You have the right to get a free copy of your credit report from each of the three national credit reporting agencies (Equifax, Experian, and TransUnion) once every 12 months. You can do so by visiting:

[www.annualcreditreport.com](http://www.annualcreditreport.com).

## Cosigner Release

If you have a private loan made after April 28, 2005, that required a cosigner, your cosigner may be eligible to be released from his or her obligation to repay the loan after you make 24 consecutive, full monthly payments and meet certain other credit criteria, including a minimum FICO credit score.

Stipulations include:

- The 24 on-time payments can occur at any time during repayment. They do not have to begin with your first payment.
- None of the 24 payments can be made during any period of an alternate repayment plan (which includes EasyPay 2 Step and EasyPay 3 Step) or any period of forbearance.
- You do not lose eligibility if you are late with a payment, enter an alternative repayment plan, enter a forbearance, or for any other reason do not make a full monthly payment on time. We just "re-set" the on-time payment "counter" to start again at "1" with your next full, on-time payment made under the standard repayment plan.
- You, the borrower, must initiate the request to release your cosigner, at which time we will confirm that you have made the required 24 consecutive months of full, on-time monthly payments. We will then perform a credit check. If you meet the criteria, your cosigner will be released.
- If you do not meet the criteria, whether due to not having enough consecutive monthly payments or due to your credit score or other credit problem, you may reapply for the release of your cosigner later. You may reapply as often as you wish, but bear in mind that each request may result in an inquiry into your credit history, which can have a negative effect on your credit score, because potential creditors may perceive it as a request for additional credit.
- Please refer to your *Statement of Loan Terms & Conditions* for full details, or call us at 888.250.6401 for eligibility information.

# 2 ways to save money!

## 1. Make your payments automatically via EFT:<sup>†</sup>

You may receive an additional 0.25% per annum interest rate reduction if you authorize Access Group or your loan servicer to automatically withdraw monthly loan payments from your checking or savings account. This interest rate reduction will permanently terminate the first time you have insufficient funds in your account to cover the payment debited. If you change banks or enter any type of deferment or forbearance, this interest rate reduction will be temporarily suspended until you re-establish automatic payments.

**Note:** To activate this interest rate reduction the first time or following any such suspension, you must contact your loan servicer and submit a completed EFT application.

**Note:** This borrower benefit applies to Access Group Stafford and PLUS loans, as well as to most Access Group private loans.

For Federal Consolidation Loans, only applications received before November 1, 2007 are eligible for this benefit.

## 2. Make your payments on time:<sup>†</sup>

For Stafford, PLUS, and Federal Consolidation Loans made on or after November 1, 2007, there is no on-time repayment benefit.

*For Stafford Loans first disbursed before July 1, 2006, eligible private loans, and all Federal Consolidation Loans*

- Reduce your interest rate by 2.0% on your Federal Stafford Loans and 0.5% on your private loans after you make the first 48 consecutive payments in full and on time. For applicable consolidation loans, you will qualify for a 1.0% interest rate reduction after only 36 consecutive months of on-time payments.
- The reduction will remain in effect as long as you continue to make your payments in full and on time and do not subsequently enter any period of deferment or forbearance.

*For Stafford and PLUS Loans first disbursed no earlier than July 1, 2006, and no later than October 31, 2007*

- A 0.8% interest rate discount on Stafford loans and 1.0% discount on PLUS loans, provided your first payment due is made in full and on time, and continuing as long as your payments continue to be made on time.
- If you're late with a payment, you can re-qualify for the reduction by making the next 12 months of payments in full and on time; this option is available one time only.
- If you enter a deferment or forbearance, this interest rate reduction is suspended, but resumes if the first payment due after leaving deferment/forbearance is made in full and on time. (Entering a deferment or forbearance while requalifying for the rate reduction will reset your 12-month counter to 0.)

*For Access Group private loans made prior to April 30, 2008*

- Reduce your interest rate by 0.5% on your private loans after you make the first 48 consecutive payments on time.
- The reduction will remain in effect as long as you continue to make your payments on time and do not subsequently enter any period of deferment or forbearance.

For the purposes of losing eligibility for the on-time repayment interest rate discount, for loans made before May 31, 2007, "on-time" is defined as "received no more than 15 days past the due date." For loans made on or after May 31, 2007, "on-time" is defined as "received no more than 5 days past the due date."

<sup>†</sup> These incentives apply to loans for certain academic years and may vary by institution attended. Grace periods related to incentives may also vary by academic year and institution attended.

For complete details,  
see [accessgroup.org](http://accessgroup.org)  
or call 888.250.6401

### late charges<sup>1</sup>

Federal Loans	6% of minimum amount due
Private Loans	Up to \$25 per delinquency on each private loan

<sup>1</sup> Late charges are assessed if we receive a payment more than 15 days past the due date.

# now, a few words on student loans

## Terms to Know

**Accrued Interest** Interest that accumulates on the loan and is payable by the borrower. (In the case of Subsidized Stafford Loans, it is paid by the federal government during in-school, grace and approved deferment periods.)

**Annual Percentage Rate (APR)** A percentage calculation that reflects the total cost of a loan (interest plus all fees) on an annual basis.

**Capitalization of Fees and Interest** The process by which unpaid fees and accrued interest on a loan are added to the principal balance. Both then become part of the principal balance and begin to accrue interest.

**Capitalized Interest** The unpaid accrued interest that is added to the principal balance of the loan.

**Credit Report** A record of a borrower's credit history, which is obtained from an authorized consumer reporting agency. Credit reports show information such as current and recent addresses, payment performance in the last seven years, types of debt outstanding, employment history, available credit and current status with lending institutions. Your student loan payment history will be reported to all major consumer reporting agencies.

**Credit Scoring** A quick, consistent method of determining the likelihood that you will repay a future debt on time. This evaluation tool predicts how well you will manage credit relative to other borrowers based on your past credit performance. Some factors used to calculate your credit score include promptness in paying bills, the amount owed on each account, total debt, number of accounts (including credit cards), and the age of your accounts.

**Default** The failure of a borrower either to make payments when due or to comply with other terms of the promissory note or private loan agreement.

**Delinquent** Failing to make one or more scheduled payments by the due dates.


**Disclosure Statement** Required by federal regulations, this document is presented to the borrower at the time the loan is disbursed, and includes loan information such as the annual percentage rate and amount financed and explains the calculation of the interest rate. (see also "Repayment Disclosure Statement").

**Disbursement Date** The date on which money was originally loaned to a borrower in consideration of his or her application and loan agreement and is the date shown on the loan check or the date on which the loan is electronically transferred to a borrower's school.

**Electronic Processing, Information and Communications (EPIC)** EPIC provides the convenience of electronic retrieval of your statements and correspondence. Online documents contain the same information as those delivered by mail, and you can access them at any time and from any Internet location. Online documents are on a secure website, safe from theft and unauthorized viewing.

**Exit Counseling** A mandatory session for Federal Stafford Loan borrowers where information is presented prior to graduation or following a drop in enrollment status to less than half-time. Information presented includes loan repayment and debt management strategies.

**Extended Repayment** A repayment option for Federal Family Education Loan Program (FFELP) loans with a standard or graduated payment based on a period not to exceed 25 years. Available only to borrowers (1) whose first FFELP loan was borrowed on or after October 7, 1998, or (2) who, on the date he or she obtained the post-October 7, 1998 FFELP loan, had no outstanding balance on a FFELP loan obtained prior to October 7, 1998. Borrowers must have FFELP loan debt (outstanding principal and interest) in excess of \$30,000, including FFELP student loan debt from lenders other than Access Group.



**Federal Consolidation Loan** A federal loan program offered by eligible lenders that allows most federal student loans to be refinanced into a single new loan with a fixed interest rate for the duration of the loan period, often with a longer repayment period and a lower monthly payment.

**Federal Family Education Loan Program (FFELP)** A federal program of education loans, including the Federal Stafford Loan, Federal PLUS Loan, Federal Graduate PLUS Loan, and Federal Consolidation Loan, issued by the U.S. Department of Education but financed by a private lender/financial institution.

**Federal Perkins Loan** A need-based federal student loan issued and administered by a participating school.

**Federal PLUS Loan** A federally guaranteed education loan for parents of undergraduate students and, as of July 1, 2006, for graduate and professional students borrowing on their own.

**Federal Stafford Loan** A federal student loan issued by a participating lender. There are two types: Subsidized and Unsubsidized. Subsidized Federal Stafford Loans are based on need and the interest is paid by the federal government while the borrower is in school, during the grace period and during approved deferment periods. Unsubsidized Federal Stafford Loans are not based on need and the borrower is responsible for paying all interest that accrues from the time that the funds are disbursed.

**Grace Period** An uninterrupted period of time following graduation or cessation of at least half-time enrollment during which the borrower does not have to make loan payments. For Federal Stafford Loans, the grace period is six months.

There is no grace period on Federal PLUS Loans, but Access Group Graduate and Parent PLUS borrowers can postpone their entry into repayment. See your PLUS Loan application materials or contact us at 888.250.6401 for more information.

**Graduated Repayment** A student loan repayment option in which monthly payments are lower at the beginning of repayment and increase in steps during the repayment period.

**Guaranty Agency (Guarantor)** A state agency or a private or nonprofit organization that insures lenders against losses due to a borrower's default, death, disability or bankruptcy.

**Holder** The party that currently owns the loan and holds its legal title.

**Income-Sensitive Repayment** A student loan repayment option available on FFELP loans. It is based on your income. Payments increase as income rises.

**Interest** A charge for the use of money. Interest is calculated as a per annum percentage of the loan principal. The interest rate charged can be fixed, which means it does not change over the life of the loan, or the rate can be variable, in which case it changes periodically. The percentage rate may be tied to one of several financial indexes such as the Prime Rate, LIBOR or U.S. Treasury Bill.

**Interim Period** The borrower does not have to repay the loan during the interim period, which consists of the in-school period plus the grace period.

**Lender** The bank, savings and loan, credit union or other approved entity from which the borrower obtains a loan.



**Master Promissory Note (MPN)** The legal document signed by the borrower of a Federal Stafford Loan or a Federal PLUS loan. By signing the MPN, the borrower agrees to all terms and conditions, including the responsibility to repay all borrowed funds along with any interest and fees that are charged. Unlike other promissory notes where only one loan can be borrowed per signed note, the Federal Stafford Loan MPN allows the borrower to obtain multiple Federal Stafford Loans (or, in the case of the PLUS MPN, multiple PLUS loans), using a single note (for up to 10 years from the specified lender).

**Origination Fee** A fee calculated as a percentage of the principal amount borrowed; it is deducted from each disbursement of the loan and remitted to the federal government to offset the costs of administering the federal student loan program.

**Principal** The total amount borrowed plus any capitalized interest and, if applicable, capitalized fees. (See also “Capitalization of Fees and Interest” and “Capitalized Interest.”)

**Promissory Note** A legally binding contract signed by the borrower when obtaining a loan. It lists the conditions under which the loan is made and the terms under which the borrower agrees to repay the loan.

For Access Group private loans, there is no separate Promissory Note. Instead, it is incorporated into the Application and Loan Agreement, and the Statement of Loan Terms and Conditions. Together, these constitute the legally binding agreement.

**Repayment Disclosure Statement** Required by federal regulations, this document is presented to the borrower prior to the due date of the first payment of the loan, and discloses loan information such as the annual percentage rate, finance charge (interest), amount financed, total number of loan payments and a schedule of payments to be made. (see also “Disclosure Statement”).

**Repayment Schedule** A plan which sets forth the principal and interest due in each installment, the maximum number of payments allowed to pay the loan in full, the current interest rate and the due dates of the first and subsequent payments.

**Secondary Market** A lender, agency or institution that buys loans from the originating lender or other loan holders. Lenders sell loans to secondary markets to replenish and generate capital for their continuing operation, including making additional loans. Terms and conditions of the loans do not change when they are sold.

**Servicer** A company that specializes in handling billing, collection, deferments and other loan transactions for the lender/holder.

**Supplemental/Guarantee/Loan Fee/Federal Default Fee** A fee charged (if applicable) to each loan taken out by a borrower.

**Terms** The specific conditions of a loan, including the requirements governing receipt and repayment of a loan. It is often used more specifically to refer to the charges for the loan, such as the interest rate and fees.

**US Department of Education** The federal agency that administers several major student aid programs, including the Federal Family Education Loan Program (FFELP). The U. S. Department of Education produces, distributes and processes the Free Application for Federal Student Aid (FAFSA) which is used to determine students’ eligibility for federal funds.

**Variable Interest Rate** A percentage equal to the current index plus a margin that depends on the loan terms. For Access Group private loans, this rate may change quarterly on the first day of each January, April, July, and October. Federal Stafford Loans first disbursed before July 1, 2006, have variable interest rates that change annually on July 1.



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# know your rights

## as a federal stafford loan borrower, I understand that I have a right to:

- Written information on my loan obligations and information on my rights and responsibilities as a borrower.
- A grace period and an explanation of what this means.
- A disclosure statement, received before I begin to repay my loan, that includes information about interest rates, fees, the balance I owe and the number of payments.
- Deferment of repayment for certain defined periods, if I qualify and if I request it.
- Forbearance, if I qualify and if I request it.
- Prepayment of my loan in whole or in part at any time without an early-repayment penalty.
- A copy of my promissory note either before or at the time my loan is disbursed.
- Documentation that my loan is paid in full.
- An explanation of default and its consequences.

## as a federal stafford loan borrower, I understand that I am responsible for:

- Attending exit counseling before I leave school or drop below half-time enrollment. During exit counseling, I must provide (not just correct) the following information:
  - Name
  - Address
  - Social Security Number
  - References
  - Driver's License Number
  - Expected permanent address
  - Address of next of kin
  - Name and address of my expected employer (if known)
- Repaying my loan in full even if I do not complete my academic program, I am dissatisfied with the education I received or I am unable to find employment after I graduate.
- Notifying my school and the lender/holder/servicer if I:
  - Move/change my address
  - Change my name
  - Withdraw from school or drop below half-time enrollment
  - Transfer to another school
  - Fail to enroll or re-enroll in school for the period for which the loan was intended
  - Change my expected date of graduation
  - Graduate
- Making monthly payments on my loan after I leave school, unless I have been granted a deferment or a forbearance.
- Notifying the lender/holder/servicer of anything that might alter my eligibility for an existing deferment or forbearance.

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